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Beyond Tariffs: US Beef Industry Eyes Australian Market Amid Talks

Australian beef exporters are bracing for potential disruption as the United States considers imposing tariffs on agricultural imports – including Australian beef – from 2 April 2025 (U.S. time).

According to Michael Whitehead, Executive Director of Food, Beverage and Agribusiness Insights at ANZ, while no formal rates or exemptions have been confirmed, the uncertainty is already affecting confidence among Australian processors and producers.

“Australia remains the largest supplier of beef to the US, exporting nearly 395,000 tonnes in 2024, primarily for burger production and further processing.

“If the US imposes tariffs of 8 percent or more, Australian beef could become significantly less competitive – impacting export volumes, processor margins, and domestic cattle prices,” he said.

Beyond the threat of tariffs, US beef industry groups are expected to push for greater access to the Australian market – a move that the Australian industry has consistently opposed due to biosecurity concerns.

“While Australia prohibits fresh US beef imports, the US has a long history of using tariff threats as leverage in trade negotiations.

“If this issue gains traction, it could become a major point of contention for Australian producers and policymakers,” he said.

If US demand for Australian beef declines, cattle prices – particularly for categories supplying lean manufacturing beef – could come under pressure.

“A tariff announcement could potentially see the Eastern Young Cattle Indicator (EYCI) fall by 20 to 40 cents per kilogram.

“Processors, particularly in Queensland and New South Wales, may face tighter margins and operational recalibrations.

“Regional employment, processing efficiency, and cold chain logistics could also be affected,” he said.

If US tariffs reduce Australian exports, alternative markets such as Japan, South Korea, and China could offer opportunities.

“Japan already sources 39 percent of its beef imports from Australia, South Korea 45 percent, and China 17 percent. However, competitors like Brazil, New Zealand, and Argentina are also well positioned to capitalise on any disruption in US trade flows.

“The Australian beef sector has shown resilience before, but with US trade policy evolving, maintaining diversified markets, agile supply chains, and strong biosecurity protections will be essential,” Mr Whitehead concluded.

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